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UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF CALIFORNIA

Bankruptcy Case No. 01-30923DM PACIFIC GAS & ELECTRIC COMPANY, Chapter 11

Debtor.

ORDER STAYING FURTHER PROCEEDINGS IN CONFIRMATION TRIAL

On March 4, 2003, this court entered an order directing certain parties participating in the trial on confirmation ("Confirmation Trial") of the plans of reorganization ("Plans") filed by Pacific Gas and Electric Company ("Debtor") and the California Public Utilities Commission to participate in a judicially supervised settlement conference before Hon. Randall J. Newsome. On March 10, 2003, Judge Newsome presided over a presettlement conference meeting with the parties. He has now advised this court that he has decided to go forward with the settlement conference. Consequently, to maximize the possibility of a successful settlement conference and to avoid the distractions of ongoing litigation, Judge Newsome (without objection by the parties) has requested this court to stay all proceedings in the Confirmation Trial for sixty days, effective immediately.

Based on Judge Newsome's request and until further order of this court, it is hereby ORDERED that: all proceedings, including discovery, relating to the Confirmation Trial are stayed; no discovery should be initiated or answered; the deadlines and hearings and "meet and confer" conferences set forth in this court's Supplemental Discovery and Trial Scheduling Order filed March 6, 2003 are hereby vacated; and the status conferences set for March 13, and March 27, 2003, are canceled.

The court will withhold any ruling on pending discovery disputes.

Furthermore, all activities (including responses and hearings) on the following matters are stayed and the hearings vacated pending further order of this court:

- (1) Application of the Official Committee of Unsecured Creditors ("Committee") for Order Authorizing Expansion of Services to be Rendered by UBS Warburg, currently set for hearing on March 14, 2003, at 1:30 p.m.
- (2) Motion for Summary Judgment Denying Confirmation of Debtor's Plan by Certain California Counties, currently set for hearing on March 27, 2003, at 1:30 p.m.
- (3) The presentation of closing evidence in the trial on the plan proposed by the Committee and the California Public Utilities Commission, now set for hearing on April 8, 2003 at 9:30 a.m.
- (4) The Confirmation Trial on Debtor's Plan, currently scheduled to resume on April 9, 2003.

The Debtor is ordered not to serve its Notice Of PG&E Plan Modifications Dated February 24, 2003, And Opportunity To Object that the court ordered served on all creditors by March 17, and that set a March 31 deadline for filing objections to the Debtor's Modified Plan.

Notwithstanding the foregoing, ordinary case motions and

claims objections not relating to the Confirmation Trial are NOT 2 stayed by this order. Moreover, the court is not staying or 3 canceling the March 21, 2003, deadline for the submission of proposed findings of fact and conclusions of law by Debtor, 4 Northern California Power Agency, and the City of Palo Alto with 5 respect to the Claims Estimation phase of the Confirmation Trial, which was conducted from January 27-29, 2003.

Unless otherwise ordered, the court will conduct a status conference on May 12, 2003, at 1:30 p.m., to schedule further matters relating to discovery and the resumption of the Confirmation Trial, if necessary.

No later than March 12, 2003, counsel for Debtor shall serve a copy of this order on all parties with pending objections to the confirmation of either of the Plans.

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Dated: March 11, 2003

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Dennis Montali United States Bankruptcy Judge

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